

I understand the process of legislative hearings and understand the reason(s) they are held is for our elected officials to acquire information to make informed decisions..

As part of the process to be able to express my opinion I have to ask you to allow me to lay some ground work to arrive at my opinion of the process of the CTAB/STAB.

In early to mid September of 2009, I received the *2009 Assessment Notice for Property Subject to Taxation* for waterfront property that I own on Flathead Lake.

I was rather taken back to find that the Market/Productivity Value on the Flathead Lake lot 18 had risen from a total value of \$322,100.00 as of 1/1/2002 to a new value of \$1,640,000.00 as of 7/1/2008, representing a 509.16% increase.

On September 23, 2009, I visited the Montana Department of Revenue in Kalispell, to try to find out exactly how the DOR had arrived at these new market values. I was not given any information that I could understand.

On that same day, September 23, 2009, I filled out the required AB-26 form.

Within a few days of filing *PROPERTY TAX APPEAL FORM* (CTAB) I received a phone call from Mr. Noel shortly after 8:00 AM. Please keep in mind that Mr. Noel was a DOR employee that was controlling the valuation on a waterfront property the DOR had originally valued at \$1,640,000.00. As the property owner I was attempting to get that valuation lowered. Mr. Noel opened his conversation by asking me, "If I lower your valuation again, will you not go before the County Tax Appeal Board?" I quickly responded with a "No". I did so because I interpreted Mr. Noel's comment as offering a "deal" and I wanted no part of "deal making" involving me receiving something of possibly considerable dollar value, in exchange for not attending a hearing before the Flathead CTAB.

My CTAB hearing was scheduled for 1:00 PM on May 21, 2010.

I arrived early because I wanted to have a short private conversation with the CTAB chairman. The chairman said he could not talk to me without the DOR being part of my conversation. **The chairman's comment will become interesting at a later part of my experience with the STAB.**

I was able to convince the CTAB chairman to allow my request and was able to tell him that I had prostate surgery 2 days prior to my CTAB hearing and had to use the restroom quite frequently and wanted to be able to signal him when the time came that I needed to leave the room with giving an explanation. The chairman agreed to my request because he said he personally understood my situation.

The CTAB chairman opened the hearing and the next comment he made was to announce to everyone in the room that I had a problem and may have to leave the room quite often.

That was a great way to begin my experience with the tax appeal board hearing process.

My Flathead CTAB hearing was held 1:00 PM on May 21, 2010 and lasted for over 3 hours. This CTAB hearing involved myself and 4 DOR employees, two employees never

spoke a single word during the 3 hour hearing. The CTAB hearing ended at 4:00 pm on the afternoon of May 21, 2010. The CTAB decision was in my P. O. Box when I picked up my mail the very next day at 10:30 AM on May 22, 2010. The board's decision was to "DISAPPROVE" my appeal.

I do not remember the exact date, but I applied to have a STAB hearing.

That STAB hearing was scheduled for a 9:00 AM time in a specific room on the first floor of the capitol building in Helena.

I arrived early to find the room and when I found the room, it was completely empty and no sign of anything having been set up for a meeting.

I was concerned that I was not in the right place so I went out to check with the folks at the security station to see if I had the correct room. As I was checking with security station folks, a group of people entered the capitol building through the first floor back entrance.

All of the people in that group seemed very friendly to one another and that entire group of people entered the room that was scheduled for my STAB hearing.

As it unfolded that entire group of people were participants representing the Department of Revenue which was made up of at least 3 state employees from Kalispell, one attorney from the Attorney General's office in Helena, the staff for the STAB, and finally, the actual STAB.

During the 3 hour STAB hearing two of the three DOR employees that traveled from Kalispell never said a single word other than "I do" when they was sworn in.

I would like to take your attention back to the comment by the chairman of the Flathead CTAB in Kalispell when he stated that "he could not talk to me without the DOR being part of my conversation".

It would seem like the same standards do not apply to the DOR, the attorney representing the Attorney General nor the STAB when they all arrived to the hearing together and possibly discussed information without me being represented at that gathering.

Their conduct made think of a situation where a defendant who was representing himself might be waiting in a court room and the judge, the jury and the prosecution all entered the courtroom together holding hands.

In 2010 I also attended and presented information to this very **Revenue and Transportation Interim Committee** concerning my experiences with the DOR and the *Assessment Notice for Property Subject to Taxation*.

At that committee meeting I asked the QUESTION: **Could you assume that the Montana Property Tax Reappraisal system has very serious flaws if one DOR staff appraiser can reduce the original 2009 Assessment Valuation for 100 Flathead Lake waterfront property owners by a total amount in excess of \$38,000,000.00?** According to information supplied by the DOR, this did

happened. Through the AB-26 process, Mr. Noel reduced the 2009 FULL REAPPRAISAL VALUE for 100 Flathead Lake waterfront properties by a total amount in excess of \$38,000,000.00?

The then chairwoman of that **Revenue and Transportation Interim Committee** stated that the committee would look into that situation and provide a response to me.

I never received a response or anything else from that committee.

When I was attending that **Revenue and Transportation Interim Committee** the lady who was the head of the STAB reported that some entity gave the tax appeal process for Montana a very high rating. I will wager that rating would not have been very high IF the rating entity would have had the chance to interview very many of the folks that went through the actual STAB process.

This very interim committee should ask every CTAB staff 'how many people made appointments to appear before their CTAB and then canceled and never did actually appear before the CTAB.

If this committee is really serious about identifying issues about the county and state tax appeal board processes you would first have to look into and understand the problems and failures of the property assessment process and its many inequities and methods to establish property values.

To conclude my presentation, all I can say is: the tax appeal board process is a total farce and an absolute waste of a taxpayer's time. It is totally unfair for a taxpayer to go before a board and an unlimited number of fulltime paid state employees whose task is to protect the state's position at all cost. There is no one to question the honesty and integrity of said state employees.

The vast majority of taxpayers that goes before the appeal boards go there alone because it is very costly to bring an attorney to Helena to represent them. Even an accused rapist or accused killer is offered free taxpayer funded legal council. The taxpayers who go before the Tax Appeal Boards are going there against a stacked deck. A very small percentage of taxpayers get any relief from the appeal boards. Check the records.

This committee should consider holding these committee meetings at various locations around the state. More people would have a chance to participate. It is difficult and unfair to expect taxpayers to travel to Helena in weather conditions such as we are experiencing now. Get out and meet the people that you represent, those taxpayers pay your salary.

Thank you,

Ron Clark  
Lakeside, Montana  
Call me sometime (406)844-3630